

~~TOP SECRET~~

EUROPE

1. **FRANCE: Increased Socialist pressure expected--US Embassy Paris believes that the Socialists will probably demand further concessions from the Government in return for their support in the Assembly of the unpopular taxes of the Queuille economic program. Concerning the attitude of French labor toward this program, the Embassy considers the action taken by the non-Communist labor unions in ordering a general strike on 24 September to be "only the most serious of many indications" of strong working-class dissatisfaction with the program.**

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(CIA Comment: CIA believes that because the Socialists are fearful of facing the electorate next month with a record of support of various unpopular government policies, they will either obtain from the Government a general wage increase or will, by working against Queuille's economic program, risk the downfall of the cabinet.)

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2. **GREECE: Reduction in armed forces considered impossible--US General Van Fleet reports from Athens that in the Vitsi area (north of Grammos) the guerrilla forces have been built up to a strength of 6000-7500 by replacements from training camps in Yugoslavia, by forced recruiting in Greece, and by remnants from Grammos. Van Fleet says that Vitsi has taken on the aspects of a second Grammos, with the added disadvantage that the guerrillas can withdraw into Yugoslavia as well as Albania. He adds that these factors and guerrilla terror raids throughout Greece have decreased the likelihood of an "early suppression of banditry", and that it is accordingly impossible at present to reduce the size of the Greek armed forces.**

ARMY review(s) completed.

State Dept. review completed

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